GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:176
ANSWERED ON:01.12.2004
PRIVATE TELEPHONE OPERATORS
Jagannath Dr. M.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether there is any clause in the licensing agreement signed by the private telephone operators which makes it mandatory for them to provide telephone activities in the rural areas;

(b) if so, the details thereof;

(c) whether the private telephone operators are supposed to pay any penalty in case they do not adhere to the terms and condition set out in the agreement regarding provision of telephones in rural areas;

(d) if so, the quantum of penalty imposed on them for escaping from their rural telephony commitments;

(e) whether the Government proposes to bring any legislation to discourage this attitude of the private players; and

(f) if so, the details thereof and if not the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR.SHAKEET AHMAD)

(a) Yes, Sir. There is a clause for coverage of rural areas in the licence agreement signed by private Basic Telephone Licensee.

(b) Details are as below:

(i) The six private basic telephone service operators, who were granted licences in 1997-98, were to provide a fix number of Village Public Telephones (VPTs) in rural areas in their respective service area.

(ii) For the Licences granted in 2001-02 stipulated coverage of Short Distance Charging Area (SDCA) in equal proportion in each phase in each category of urban, semi-urban and rural SDCAs in a service area.

(c) Yes, Sir.

(d) The Government has recovered liquidated damages to the tune of Rs.53.75 Crores from private basic telephone service operators for non-fulfillment of roll out obligations in terms of commencement of service as well as in provisioning of Direct Exchange Lines (DELs) and VPTs.

(e) &(f): At present no legislation to discourage this attitude of private players is under consideration. The performance Bank Guarantees of higher amount were stipulated in Basic Service Licences. Further, new Unified Access Service Licence stipulates penalty to the tune of Rs. 50 Crores for breach of Licence conditions apart from performance Bank Guarantee for Roll-out obligations.